

Message Text

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PAGE 01 MANAMA 01000 010628Z
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 L-03 H-02 PA-02 DOE-15 SOE-02 /125 W
-----122047 010636Z /15

R 300925Z APR 78
FM AMEMBASSY MANAMA
TO SECSTATE WASHDC 6113
INFO AMEMBASSY ABU DHABI
AMCONGEN DHAHRAN
AMEMBASSY DOHA
AMEMBSSSY KUWAIT
AMEMBASSY MUSCAT

UNCLAS MANAMA 1000

E.O. 11652: N/A
TAGS: EFIN BA
SUBJECT: OFFSHORE BANK ISSUES FIRST CD'S

THE UNION DE BNNQUES ARAB & FRANCAISES (UBAF) OFFERED THE
FIRST CD'S IN THE BAHRAIN MARKET ON APRIL 16. THIS IS THE
FIRST CD ISSUE IN AN ARAB MARKET DENOMINATED IN DOLLARS.
THE \$ 20 MILLION ISSUE WILL MATURE IN THREE YEARS AND CARRY
1/4 PERCENT OVER THE BAHRAIN INTERBANK DEPOSIT RATE. THE ISSUE
WILL BE MANAGED FOR UBAF BY THE BAHRAIN OFFICE OF MERRILL
LYNCH INTERNATIONAL WHO WILL OPERATE A SECONDARY MARKET.

2. EMBASSY COMMENT: THIS IS A LONG EXPECTED NEXT STEP IN
THE GROWTH AND DEVELOPMENT OF BAHRAIN'S INTERNATIONAL BANKING
COMMUNITY. NWAN MOORE, FORMERLY DIRECTOR GENERAL AND PRESENTLY

ADVISOR TO THE BAHRAIN MONETARY AGENCY, HAS BEEN
STRONGLY ENCOURAGING OFFSHORE BANKS TO ISSUE CDS FOR MORE
THAN A YEAR. IT IS HOPED THAT THIS MAY HELP TO OVERCOME
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ONE OF THE WEAKNESSES OF THE LOCAL BANKING SYSTEM--THE TENDENCY
OF ALL LOCAL DEPOSITORS TO DEPOSIT FOR 90 DAY PERIODS
WHILE LENDING IS MUCH LONGER TERM. THE BMA HAS ALSO ENCOURAGED
CDS AS NECESSARY TO DEVELOPMENT OF A SECONDARY (AND MORE
COMPLETE) MONEY MARKET. PRELIMINARY COMMENTS FROM THE
BANKING COMMUNITY INDICATE THE MOVE IS WELCOME NOW, EVEN
BY THE EARLY DOUBTERS.

POWERS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ARABS, MARKETS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANAMA01000
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780185-0316
Format: TEL
From: MANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978041/aaaaaadg.tel
Line Count: 63
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b133b2a5-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2811455
Secure: OPEN
Status: NATIVE
Subject: OFFSHORE BANK ISSUES FIRST CD'S THE UNION DE BNNQUES ARAB & FRANCAISES (UBAF) OFFERED THE FIRST CD'S IN THE BAHRAIN MARKET ON APRIL 16. THIS
TAGS: EFIN, BA
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/b133b2a5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
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